A former OSHA official will spend the next 2 years in a federal prison after pleading guilty to conspiracy to accept bribes.

Mario Luigi, a former Assistant Area Director for OSHA in 2004, steered employers seeking to reduce their OSHA fines to a company run by John Khan for job-safety training. Khan paid Luigi, who was working for OSHA at the time, about $30,000 in bribes for the referrals.

"Mr. Luigi betrayed the people he was supposed to serve," U.S. Attorney Johnny Law said. " ... [H]is greed landed him in federal prison. The United States Attorney's Office will root out and prosecute public corruption whenever and wherever we find it."

Luigi's 24-month sentence will begin September 10. Luigi also was ordered to pay $29,868 in restitution and a $100 special assessment. He will serve 2 years of supervised release after completing his prison term.

Lisa Lippy, who worked under Luigi, found and referred offending companies to Luigi and also received bribes from Khan for the referrals. On Jan. 6, Khan and Lippy pleaded guilty to conspiracy to pay a gratuity.

Khan was sentenced to 1 year probation and Lippy was sentenced to 4 years probation.

OSHA Officer Pleads Guilty to Filing False Construction Site Inspection Report

Acknowledging he turned in a false inspection report, a compliance officer with the Occupational Safety and Health Administration pleaded guilty in U.S. District Court to a single felony charge.

In his written plea, Joe Schmoe, 46, said that on June 22, 2010, he submitted an inspection report claiming he had visited a construction site in Timbuck Two.

"When I filed that report, I knew it to be false because I had not conducted a safety inspection of a work site at that location," Schmoe wrote in a plea filed with U.S. District Judge.

In exchange for the guilty plea, the Justice Department dropped two other counts against Schmoe of making a false statement, both for claiming to have inspected other construction sites in 2009. Prosecutors also agreed to recommend probation if the U.S. Probation Commission determines Schmoe's guideline sentence range extends no more than six months.

Schmoe faces a maximum penalty of five years in federal prison and a fine up to $250,000, the U.S. Attorney's Office said. A sentencing hearing date has not been set.

Schmoe was indicted by a federal grand jury on March 27, 2010 and pleaded not guilty to the three counts.

Maryland's Public Ethics Law

MARYLAND

Conflicts of Interest Training

Agenda

I. Background, Purpose, and Scope
II. Conflicts of Interest
III. Financial Disclosure (briefly)
IV. Available Resources

Legislative Origins

- 1978 - Federal Ethics in Government Act enacted following the Nixon Watergate scandal
- States also enacted laws applying to state and local officials
- 1979 - Maryland Public Ethics Law enacted

What Is The Purpose Of The Law?

- Helps officials/employees avoid improper influence and appearance of improper influence
- Assures citizens of the impartiality and independent judgment of officials and employees
- Requires officials/employees to disclose financial affairs and to meet minimum standards of ethical conduct

Administration of the Law

- General Assembly's Joint Committee on Legislative Ethics
- Commission on Judicial Disabilities (or other body designated by the Court of Appeals)
- State Ethics Commission

The State Ethics Commission

- Five Commissioners, appointed to 5-year terms
- Charged with administering the Public Ethics Law
- Provides advice, issues formal opinions, regulates lobbyists, undertakes enforcement action
- Supported by a 12-member staff

Public Ethics Law

Conflicts of Interest

Scenario

You are looking for a second job and find one with a grocery store that provides the income and flexible hours you need. The company is regulated by your agency. Can you accept the position?

Outside Employment

- Prohibits employment with entities subject to the authority of (i.e. regulated by) or contracting with your agency
- Prohibits employment that would impair impartiality and independent judgment
- Exceptions possible if no impact on duties

Scenario

While you do not participate in the company's day-to-day affairs, you are a part owner of a catering company that was just awarded a contract with your agency. Can you retain your interest in the company?

Financial Interests

- Prohibits financial interests in entities subject to the authority of (i.e. regulated by) or contracting with your agency
- Exceptions possible if no impact on duties

Financial Interests

The Law defines financial interest as:

- Ownership of more than 30% of a business entity by employee or spouse;
- Ownership of securities that represent more than 3% of a business entity by employee or spouse;
- Ownership of an interest resulting in owner having received in past 3 years, is currently receiving or will receive more than $1,000 per year.

Scenario

You have been assigned as a member of a search committee tasked with interviewing candidates for a vacant position in your office. Current applicants include your sister-in-law, your daughter, and your best friend. Can you participate?

Participation

Prohibits participation in:

- matters where the employee or official or certain relatives (spouse, parent, child, brother, sister) have a specific interest
- matters involving business entities in which the employee or official or certain relatives have employment, contractual, creditor, or potential employment relationships

Scenario

In your position you inspect many companies, including ABC Wine and Spirits, which employs your sister. Can you participate in a complaint investigation involving ABC Wine?

Participation

Exceptions allowed if:

- permitted by State Ethics Commission regulation
- conflict disclosed and (1) disqualification would leave body with less than quorum (applies generally to boards/commissions); (2) disqualified official/employee required to act by law; (3) disqualified official/employee only one authorized to act

Scenario

How would you respond to the previous question if your sister's job with ABC Wine and Spirits was in Georgia and she performed no work in your state?

Scenario

Your agency employs both you and your spouse. While initially you work in different departments, you are later promoted to be the head of the department where your spouse works. Would this situation be appropriate under the Ethics Law?

Scenario

You assist your agency in preparing a complaint against a company in violation of regulations. Before the complaint is issued, you leave State service and are contacted by the company that is the subject of the complaint. Can you work for them fulfilling the requirements of the complaint?

Post-Employment Restrictions

Former official/employee may not assist or represent outside entities or persons for compensation...

- In a case, contract or specific matter
- If the former official/employee significantly participated in the matter in his/her State position

Scenario

You are invited to lunch by a company who is regulated by your agency. The contractor wants to pay. Can you accept? Can you accept the company logo jacket the contractor offers you?

Gifts

Prohibitions Generally

- No solicitation
- No unsolicited gifts from 1) vendors, 2) regulated entities, 3) lobbyists, or 4) those with financial interests that may be uniquely affected by recipient

Key Exceptions

- Nominal = $20 or less
- Meals/beverages in the presence of the donor
- Reasonable food, lodging, and travel for participation at a speaking engagement

Scenario

Your best friend's son has applied for a position in another department within your agency. You enjoy a good relationship with that department, your friend knows of the relationship and asks you to put in a good word for his son with the person who is doing the hiring. Can you do so?

Prestige of Office

Prohibitions Generally

- No use of office for official's private gain
- No use of office for private gain of another

Covers both using the influence of one's office and using State resources

Scenario

You learn of plans to construct a new building to house your agency and the location has been identified. You use that information to purchase some property adjacent to the location, anticipating it will be needed for the project and hoping to sell it to the State at a profit. Can you do so?

Confidential Information

Cannot disclose or use confidential information acquired by reason of one's position and not available to the public:

- For personal economic benefit, or
- For the economic benefit of another

Public Ethics Law

Available Resources

Where do I go for Advice?

State Ethics Commission

45 Calvert Street, 3rd Floor
Annapolis, MD 21401
(410) 260-7770
(410) 260-7746 (Fax)

http://ethics.maryland.gov/